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Peres: All PNC members can return

Surprisingly high turnout reported for PA elections

JON IMMANUEL

TURNOUT was high yesterday for elections for president of the Palestinian Authority and the 88-member Palestinian council, with PLO Chairman Yasser Arafat predicted winning with 95 percent of the vote.

Hamas scored a setback as more than 85% of the population voted in the Gaza Strip despite calls for a boycott. In the West Bank, where polls closed later, the turnout was estimated at 70-85%.

Unofficial returns also indicated a strong showing for Fatah candidates in the contest for the 88-member council. Final results are to be ready this afternoon.

"This is the foundation stone of the Palestinian state," said Arafat after voting in near perfect weather in Gaza City.

Prime Minister Shimon Peres said the elections showed most Palestinians back the Oslo agreements.

"It's a successful end to parts of the two agreements with the Palestinians," said Peres. "The vote wasn't only to elect the representatives of the Palestinians, but effectively also confirmed that a decisive majority of the Palestinians backs the agreements," he told Channel One.

"Whoever grips knives and bombs is a minority threatening the Palestinian majority as much as us," he said.

Peres spoke last night to Arafat to congratulate him on the elections.

"He welcomed the high voting percentage aside from Jerusalem and Hebron, where he said it was better to have had a low percentage and few problems as opposed to a higher turnout and a great amount of problems," Peres's office said.

Arafat's advisers had worried that heavy rain which deluged Gaza on Friday would keep the voter turnout below 60%. They expected 70-75% if the weather turned bright.

"Certainly this surpasses expectations," said Sufian Abu Zayde, a member of the ministerial committee on prisoner releases, running as a Fatah candidate in North Gaza.

Hamas officials were nonchalant about the results, claiming they had not demanded a boycott. "Everybody was free to do what he wanted from both sides. This will not hurt the Islamic Movement," said Sayed Abu Musameh, who was released from jail last month to participate in talks with the PA in Cairo.

Hamas issued an "internal memorandum" in Gaza City yesterday morning calling on those supporters who had decided to vote to mark X by the names of nine candidates. Gaza voters were entitled to vote for 12. Among the names was Riad Zaanoun, the PA health minister, and Fakri Shakrah, both running for Fatah.

Khaled Hindi and Ismail Haniyeh, both Hamas leaders who were going to run as independents before being pressured to withdraw by Hamas elements abroad, also voted yesterday.

The polling stations opened at 7 a.m. and by 3 p.m. 70% had voted in Gaza and 80% in Jericho, which have been under Palestinian authority for the past 18 months. In other West Bank areas voting was slower, with 70% in Tubas and Salbit, 65% in Ramallah, Tulkarm and Kalqilya. (Continued on Page 2)



A Palestinian policeman helps a young mother cast her ballot yesterday at a Hebron polling site. (Reuters)

ALL members of the Palestinian National Council will be allowed into the PA-controlled areas for discussions on changing the Palestinian Covenant, Prime Minister Shimon Peres said last night.

Peres told Israel Radio that in the last few weeks, the Palestinian Authority had made a strong effort to fight terror.

Mahmoud Abbas, the PLO elections coordinator, told Reuters: "The Israeli government has allowed all PNC members to be given permanent residency in Palestinian areas. We asked for this a long time ago and now they have agreed."

Maj.-Gen. Oren Shahor, coordinator for the territories, also said they could return.

"As a concept the intention is that people also from the opposition will join the autonomous areas and be able to enter. We will deal with the matter in coming days," said Shahor.

PNC members include some of the leading terrorist leaders, such as Nayef Hawatmeh, head of the Democratic Front for the Liberation of Palestine, George Habbash, head of the Popular Front for the Liberation of Palestine, and Abu Abbas, head of the Palestine Liberation Front.

It was unclear whether any of the three would move to Palestinian-ruled areas, if given the choice.

Changing the Palestinian Charter was high on the agenda of both Israelis and Palestinians yesterday.

"You do not change the constitution, you only add amendments," PLO Chairman Yasser Arafat said Friday, comparing the Palestinian Charter to the American Constitution.

Arafat, who is committed to canceling the segments of the charter which refer to the illegality of a Jewish state, told a group of American Peace Now activists in Gaza that, in effect, the charter no longer has any validity, because of the agreements which had been reached with Israel.

Arafat said these agreements were amendments to the charter. "We had other amendments accepted by the central council, like the [September 1993] Oslo agreement," he said.

Under the Oslo 2 accord of September 1995, Arafat must change the 1968 covenant within two months of convening the newly elected Palestinian council.

Arafat said he had signed a decree on Tuesday that "within four weeks the council will meet." This means the Palestinian National Council should meet by April 20 to change its charter.

Last night Peres said he expects Arafat to keep the promise to change the covenant.

"I expect that he will do his part to fulfill the agreement between us and him. He needs two months from the establishment of the elected Palestinian council to remove from the Palestinian charter those clauses which call for harming or destroying Israel," Peres said on Channel 1.

He said Israel has several ways of responding if Arafat fails to keep his promise.

"We have enough options in hand - and he knows that - in order to stop other things. This year a number of other things are supposed to be done," Peres said.

"We are supposed to redeploy in Hebron, the negotiations must begin on the final status, the additional redeployment must be carried out, and there must be established a system of daily and economic relations. I don't believe he wants to break up all these things," Peres said. (Continued on Page 2)

Observers blast 'police intimidation' in Jerusalem

BILL HUTMAN

PALESTINIAN leaders and international observers, including former US president Jimmy Carter, sharply attacked Israel yesterday for what they charged was the "intimidating police presence" near Jerusalem polling stations.

"I don't think there is any doubt they [the police] are doing everything they can to intimidate the voters," Carter, who is leading a team of international observers, told the Associated Press.

By early afternoon, Palestinian officials were reporting a low turnout in the Jerusalem district, and charged this was because police were making it difficult to get to the five post offices being used as polling stations.

"This place looks more like an army base than a place people are voting," said Faisal Hussein, the senior PLO official in Jerusalem, on a visit to the main polling station at the Salah a-Din Road post office.

Dozens of policemen stood guard outside the building, checking the IDs of anyone who approached. Policemen and border police also stood guard on the roofs of surrounding buildings and the nearby Old City wall.

Jerusalem police chief Cmdr. Aryeh Amit strongly denied the allegation of police interference. "I wish we could have this many policemen in Jerusalem every day to keep the peace," he said.

"Police are here in large numbers to ensure that neither Israeli nor Palestinian extremists interfere with the voting," Amit said.

Police sources attributed the apparent low turnout at least in part to mixups within the Central Election Committee over where people were supposed to vote.

An Old City resident, Mohammed Salah, said he went to the Salah a-Din post office in the morning to vote, with a form

from the CEC saying that was where he should vote, hot when he got there he was turned away by Palestinian officials.

"They told me my name wasn't on their lists for the Salah a-Din polling station and I decided to go to the Beit Hanina station to vote," Salah, 34, said. But at Beit Hanina, Palestinian officials also could not find his name.

Police also noted that fewer than 10 percent of registered voters in the Jerusalem district were to go to polling stations within the city limits, and the vast majority to stations in the territories, which are beyond police control.

A security source said Hamas was behind a leaflet distributed in Jerusalem yesterday calling for Palestinians not to vote, because the Palestinian security prisoners are still being held by Israel.

At around 2 p.m., Hussein made a public appeal on Palestinian Radio for Jerusalem voters to go to the polls, saying a low turnout would deal a blow to Palestinian claims to Jerusalem.

Carter attacked the use by police of video cameras to film the crowds in front of the polling stations in eastern Jerusalem.

Amit, however, said such filming is routine at events where the potential is great for unrest or attack and is used as a tool to help police investigators.

A police spokesman said 51 Jews and Arabs were detained during the day for stone-throwing, incitement, and disturbing the peace.

In the afternoon, only a handful of minor disturbances were reported by police in eastern Jerusalem. Roads near polling stations were closed, including Salah a-Din and Sultan Sulaiman, the major thoroughfares by the Old City.

Police units were stationed at major intersections in eastern Jerusalem and roadblocks set up at

various points.

Two Jewish youths were detained after they allegedly threw a tear gas canister into an Arab store just inside Jaffa Gate, police said. There were no injuries or damage, according to police.

Another Jewish youth was arrested for distributing pamphlets aimed at scaring Palestinians away from voting. These stated they would lose their rights as Jerusalem residents if they did so, which Israeli officials strongly deny.

Near the Beit Hanina post office polling station, two Arab youths were arrested for allegedly throwing stones at policemen there.

Police stopped Jibril Rajoub, Palestinian Preventive Security chief in Jericho, at a checkpoint near the Salah a-Din post office and ordered to leave the city, on the grounds he had agreed to stay away from the polling stations so as not to provoke unrest. Police said Rajoub left without incident.

Kiryat Arba girl stabbed in Hebron

A JEWISH girl was stabbed in the back and lightly wounded by an Arab youth yesterday afternoon in the Hebron market. Orital Zarviv, 14, of Kiryat Arba, was admitted in satisfactory condition to Hadassah-University Hospital, in Jerusalem's Ein Kerem.

Her alleged attacker, Hashem Osman, 16, of Hebron, tried to run away but was chased down and caught by two young Kiryat Arba residents who were accompanying Zarviv.

Hebron district police chief Asst.-Cmdr. Danny Arviv noted yesterday that "Jews and Arabs live mixed together in Hebron and there is constant friction." Arviv said election day had otherwise passed peacefully in the city.

The Zarviv family experienced a similar incident several years ago, when Orital's father was stabbed and seriously wounded by a Palestinian assailant.

On Levy

Peres: Israel 'going for broke' in talks with Syria

Jerusalem Post Staff and agencies

PRIME Minister Shimon Peres said Israel is "going for broke" in the peace talks with Syria, saying the aim was to achieve a comprehensive peace in the Middle East.

"Listen, we have to take a chance. Those who don't dare are not realists. We are going for broke," he said on Israel Radio Friday.

Minister Yossi Beilin said there were "positive changes"

at the last round of talks at the Wye Plantation in Maryland, but he was still skeptical about whether Syrian President Hafez Assad had really decided to make peace.

"Without a breakthrough on the substantive issues and without negotiations at a much more rapid pace, we will not be able to achieve peace this year," he said.

US Secretary of State Warren Christopher, told *Yediot Aharonot* that his last visit to Damascus earlier this month convinced him that Syrian President Hafez Assad was committed to getting an accord.

"More than ever before, at my last meeting with him, in the wake of what he said, I reached the conclusion that the man is really developing a vision of peace between Israel and Syria," he said.

Christopher also said Assad had also grasped the importance of establishing full diplomatic and economic ties with Israel, which has been Israel's key demand in exchange for returning the Golan Heights.

"Two states living at peace, side by side. A fabric of economic relations between Israel and Syria. More and more. Assad sees the significance of these relations for the Syrians," Christopher said.

Israel, Tunisia to announce formal ties

HILLEL KUTTLER and BATSHEVA TSUR

ISRAEL and Tunisia will announce the establishment of diplomatic ties in Washington tomorrow, a senior Clinton administration official said Friday.

The announcement will come following a State Department luncheon meeting held by Secretary of State Warren Christopher, Foreign Minister Ehud Barak and his Tunisian counterpart Habib Beyahia.

"I think we'll have a fairly significant announcement to come out of [the meeting] in terms of diplomatic relations," the official said.

The countries will establish interest sections in Tel Aviv and Tunis, he said. The two countries had been scheduled to establish lower level economic offices, but Tunis delayed the move due to pressure from other Arab states.

"It's gone beyond that," the official said. "It'll go directly to interest sections; there won't be an intermediate step."

The move was precipitated both by continued bilateral discussions on the matter, as well as by the US's efforts, which "clearly had encouraged movement on this for some time," he said.

The US expects the move to encourage other Arab states to formalize relations with Israel, the official said.

"I think clearly with each such step undertaken by Arab states with Israel, the arguments against normalization with Israel are diminished. I think it has repercussions."

"We are hopeful that states in North Africa, the [Persian] Gulf, would come around. Qatar and Oman, maybe. Qatar and Oman, as is known, have had a dialogue [with Israel]. We hope further steps could be taken."

Tunisia becomes only the second Arab state, after Morocco, to have ties with Israel in the absence of a

formal agreement.

The US official said it was "unlikely" that Saudi Arabia would join other Gulf states in establishing relations with Israel until an Israeli-Syrian peace deal was reached.

Benyahia and then-foreign minister Shimon Peres met several times in recent years during visits to New York and Washington, during which they discussed establishing diplomatic relations.

Barak is also scheduled to meet tomorrow with Defense Secretary William Perry and national security adviser Anthony Lake.

The latter meeting will also likely include a short discussion with President Clinton, Israeli officials said.

On Friday, Barak arrived for his first visit in Morocco, where he stayed at the royal guest house, normally reserved for heads of state.

Last night, Barak conferred with King Hassan for more than an hour. They were joined half way through the meeting by Moroccan Prime Minister Abdelatif Filali. They discussed the peace process at length, and observers said the presence of the prime minister gave the talks a more official and overt nature.

On the issue of the Palestinian elections Barak stressed that this was an important stage in the process. It indicated that Israel is standing by its obligations, Barak said, and the Israeli government expected the same from the Palestinians particularly with regard to their commitments on terrorism and the changing of the Palestinian Covenant.

Morocco, Barak added, could continue to have a leading role in advancing the process and would undoubtedly be a key factor in bringing about a comprehensive peace. Barak leaves Morocco today for New York.

Three Hamas terrorists killed in clash with soldiers near Jenin

ON LEVY

THREE Hamas terrorists were killed Friday afternoon in a clash with IDF soldiers near the Jalama checkpoint at the entrance to Jenin.

In the clash, one soldier was lightly wounded in the leg. The IDF and the Palestinian Police are investigating the incident. Palestinian sources said it cast a shadow over the Palestinian elections, resulting in a low turnout in Jenin.

The clash occurred around 5 p.m., when a car carrying the three Palestinians reached the checkpoint and the soldiers signaled to the driver to stop.

Instead he accelerated, as one of the terrorists stuck the barrel of his Kalashnikov rifle out the window and fired at the soldiers, wounding one of them.

Other soldiers fired at the car, killing the three occupants. They were identified as Ibrahim Mansour, 23, Tarak Mansour, 23, and Alam Abu Ada, 23, all Hamas members from Jenin.

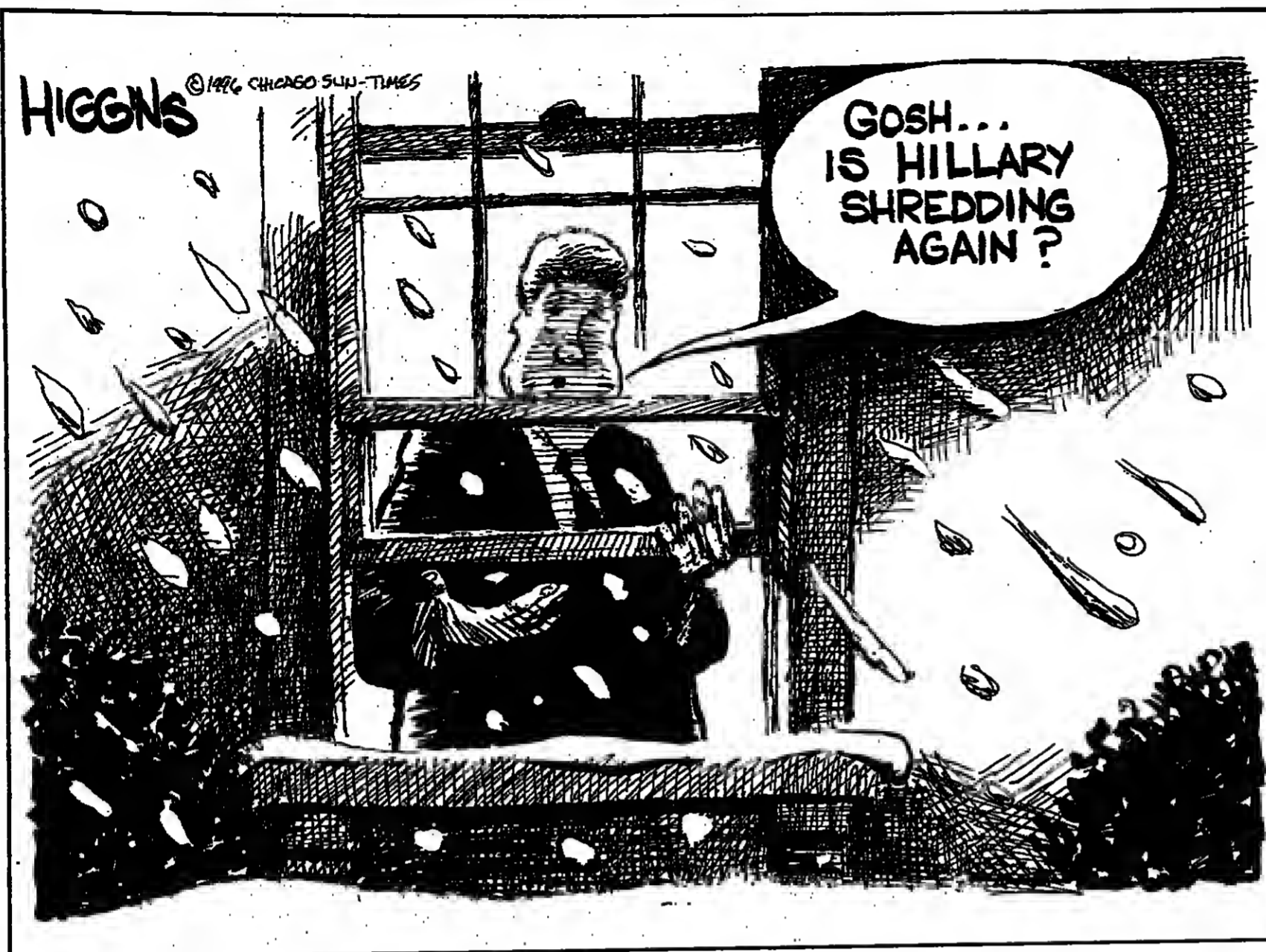
Senior military sources said the three had planned to attack the soldiers and were the first to open fire, with the soldiers responding according to orders.

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AMERICAN OUTLOOK

Sunday, January 21, 1996



Clinton's accuser considers testifying

By Robert Novak

Senate investigators speculate former Little Rock Municipal Judge David Hale, the only person who has publicly accused President Clinton of wrongdoing in the Whitewater affair, will testify before Sen. Alfonse D'Amato's special committee.

It is strictly up to Hale. He has pleaded guilty to two counts of fraud and has been awaiting sentence since March, 1994, while talking to Special Counsel Kenneth Starr and the Whitewater grand jury. He is under no obligation to testify before the D'Amato committee.

Hale has claimed that Clinton, as governor of Arkansas, pressured him to make an illegal government-backed \$300,000 loan to Clinton's Whitewater partner Susan McDougal.

DEMOCRATS SPLIT

High-ranking House Democrats foresee a possible budget solution that would split their party leaders into two camps. Although Minority Leader Richard Gephardt and Minority Whip David Bonior likely would oppose a compromise, their leadership team is not solidly behind them.

House Democratic Caucus Chairman Vic Fazio of California and Chief Deputy Whips Bill Richardson of New Mexico and Chet Edwards of Texas are eager for a budget compromise, even if it is opposed by the party's liberals.

Expected to back Gephardt and Bonior would be Caucus Vice Chairman Barbara Kennelly of Connecticut and Chief Deputy Whips John Lewis of Georgia and Rosa DeLauro of Connecticut.

OREGON BLUNDER

A late independent expenditure by the Teamsters union in behalf of Democratic Rep. Ron Wyden may cost Democrats the U.S. Senate seat left vacant by the forced resignation of Republican Sen. Bob Packwood and privately given up for lost by national GOP leaders.

A radio advertisement accuses the Republican candidate, state Senate President Gordon Smith, of responsibility for the death of a 14-year-old boy killed at his plant. The boy's father was the supervisor of the work done by his son and has protested that the attack against Smith is unfair.

The prospect that the commercial could backfire against Wyden was enhanced last week when the usually liberal Portland Oregonian endorsed Smith, who is much more conservative than winning Oregon candidates. The editorial attacked "negative advertising, personal attacks and bold distortion of the public record by both sides" but did not single out the Teamsters commercial.

TOUGH RUSSIAN

Deputy Secretary of State Strobe Talbott's statement of welcome for Russian President Boris Yeltsin's selection of bard-liner Yevgeny Primakov as foreign minister has been greeted with ridicule by diplomats across Europe. They see the appointment as a sign of Yeltsin's embrace of extreme nationalism.

Talbott, reflecting the Clinton administration's desire to put Yeltsin in the best light, hailed Primakov's appointment on grounds that he was a friend of Mikhail Gorbachev. In fact, Primakov is the former boss of the KGB's foreign department and Russia's foremost student of Stalinist batcher man Lavrenty Beria.

A brilliant intellectual, Primakov wrote a Ph.D. thesis reflecting his admiration of Beria's use of power as Stalin's secret police boss. In August, 1993, with Yeltsin uncertain about NATO expansion, Primakov pressured him to fight it. As foreign minister, his influence will escalate quickly as he pursues his aim of reducing U.S. world influence and restoring Russia's empire.

COMEBACK PETE

Since terminating his disastrous campaign for president, California Gov. Pete Wilson has taken significant strides toward mending fences with his state's Republican Party and conservatives in general.

The governor's relations with GOP stalwarts and the California right deteriorated from the moment of Wilson's election to a first term in 1990 and hit bottom when he decided to temporarily abandon Sacramento and run for president. But since dropping out of the presidential race, Wilson has devoted his energies to the embattled anti-affirmative action initiative to be voted on by the state's voters in November.

The coolness between Wilson and Republican State Chairman John Herrington has been replaced by relative warmth, thanks to Wilson's efforts in behalf of the initiative. Herrington had made no secret of his unhappiness with Wilson's presidential venture.

Robert Novak is a nationally syndicated columnist of the Chicago Sun-Times.

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Flat tax

Trying to simplify the issue

By Matthew Miller

It's tempting to dismiss the Kemp Commission's coming call for a flat tax as the scary resurrection of supply side propaganda, a malevolent scheme to transfer billions to the rich at the expense of middle-class Americans and a newly exploding deficit. But we'll get to that.

First, it's only fair to assess the flat tax on its merits. The Kemp group's expected endorsement, together with Steve Forbes's gentlemanly resolve to give the idea, as he might give his daughter, the best coming-out party money can buy, assures that the flat tax will get a hearing. What are we to make of it?

The Kemp report will steer clear of specifics, to avoid saddling Bob Dole with a target Democrats could shoot at through November. But the proposal being pushed by Forbes and House Majority Leader Dick Armey is target enough. It replaces today's personal income tax, whose brackets range from 15 to 39.6 percent, with a single, flat rate of 17 percent. It offers generous standard deductions for individuals and dependents, which take a family of four earning up to \$36,000 off the rolls entirely. At the same time, itemized deductions — such as favorites for mortgage interest, charitable contributions and state and local taxes — are eliminated. All capital gains, interest and dividend income become fully tax-exempt; the estate tax is scrapped as well.

Does any of this make any sense? The big goals Kemp, Forbes et al say they're after might be dubbed the three S's: simplicity, savings and special interests. Take them in turn.

Simplicity. You can hardly change the channel these days without seeing a GOP hopeful wave a postcard-size tax return while admiring crowds swoon at the notion of how easy it will be, under a flat tax, to do their taxes. This campaign tableau is misleading. Hating the IRS is a patriotic duty, as seasonal, and harmless, as the seventh-inning stretch. But for most Americans, paying taxes, while unpleasant, is not actually very complicated. More than 70 percent use the standard deduction. Twenty million filers use 1040 "EZ" forms that are almost, well, postcard-like: this year they'll be able to file via a 10-minute phone call. Though Steve Forbes says the 30 percent who itemize find it an "absolute hor-

ror," it takes an odd fetish to run for president mainly to ease the pain of better-off Americans whose cost in time or tax advice is a fraction of the money they're saving.

Business actually bears the cost of complexity in our tax code, accounting for the vast bulk of the infamous 5.4 billion man-hours that go into tax preparation each year. No doubt there's a case for simplification here, but we're kidding ourselves if we think that in a complicated economy business accounting won't be harder than postcard math. In any event, disingenuously dressing up business relief as a "populist" initiative isn't the image flat-taxers hope to project.

When pressed on the simplicity issue, Forbes says "the people" are really cheering the generous exemptions his plan offers, which roughly double those under current law. If so, they're cheering an illusion. Those exemptions, plus the 17 percent rate, explain why Treasury estimates that the proposal leaves a gaping \$140 billion (at least) revenue hole versus today's tax code. Fixing this so the deficit won't launch into orbit means halving the exemptions, or raising the single rate to somewhere in the low 20s. Combined with the flat tax's fine print, under which the Earned Income Tax Credit is scrapped and employees pay tax on their health benefits, most people earning below \$200,000 lose big.

Savings. A supply-side axiom binds that lowering the after-tax return on savings and investment gives you more of this essential fuel for economic growth. Let's say that's right (though it's a matter of debate). Flat-taxers still don't say how much more. Maybe there's a reason. In the 1980s, lower marginal tax rates were accompanied by a mysterious decline in savings as a share of GDP. Today, economists who aren't flat tax partisans agree it might increase private savings, at best, by 1 percent of GDP yearly. While every little bit helps, that's hardly the kind of spur to growth that "optimistic" supply-side rhetoric leads you to expect. (Bill Clinton's 1993 deficit reduction package, by comparison, now adds about 2 percent of GDP yearly to national savings.) Why would savings rise so little? According to Bill Gale of the Brookings Institution, partly because half of private savings — via pensions, 401(k)s, Keough plans and most IRAs — already gets the tax-favored treatment a flat tax would offer.

Special interests. Yes, today's tax code is a stomping ground for lobbyists. But — surprise! — tomorrow's will be, too. Just as the berated 1986 tax reforms failed to banish special interests from the trough, a flat tax won't either. Brookings' Gale sees a booming business for lawyers and lobbyists ahead. Take one example. Interest income is not taxable to corporations under a flat tax; they'll thus maneuver, legislatively and via structured transactions, to classify cash inflows as "interest."

If it can't deliver on its declared goals, the flat tax succeeds impressively at one thing: it lowers taxes on wealthier Americans for whom earnings on capital are a higher proportion of income, and raises taxes on just about everybody else. Maybe I'm too blinded by envy to see that what this country really needs is a big tax cut for Steve Forbes and a big tax increase for his maid, who between payroll and "flat" taxes will fork over 30 percent. And this isn't "class warfare," it's a fact. The flat tax's original authors, Robert Hall and Alvin Rabushka, admit as much. The GOP's new addition to the flat tax is yet another instance of the ancient truth of electoral coalitions. Republicans give tax cuts; Democrats give "programs." Same currency, different voters.

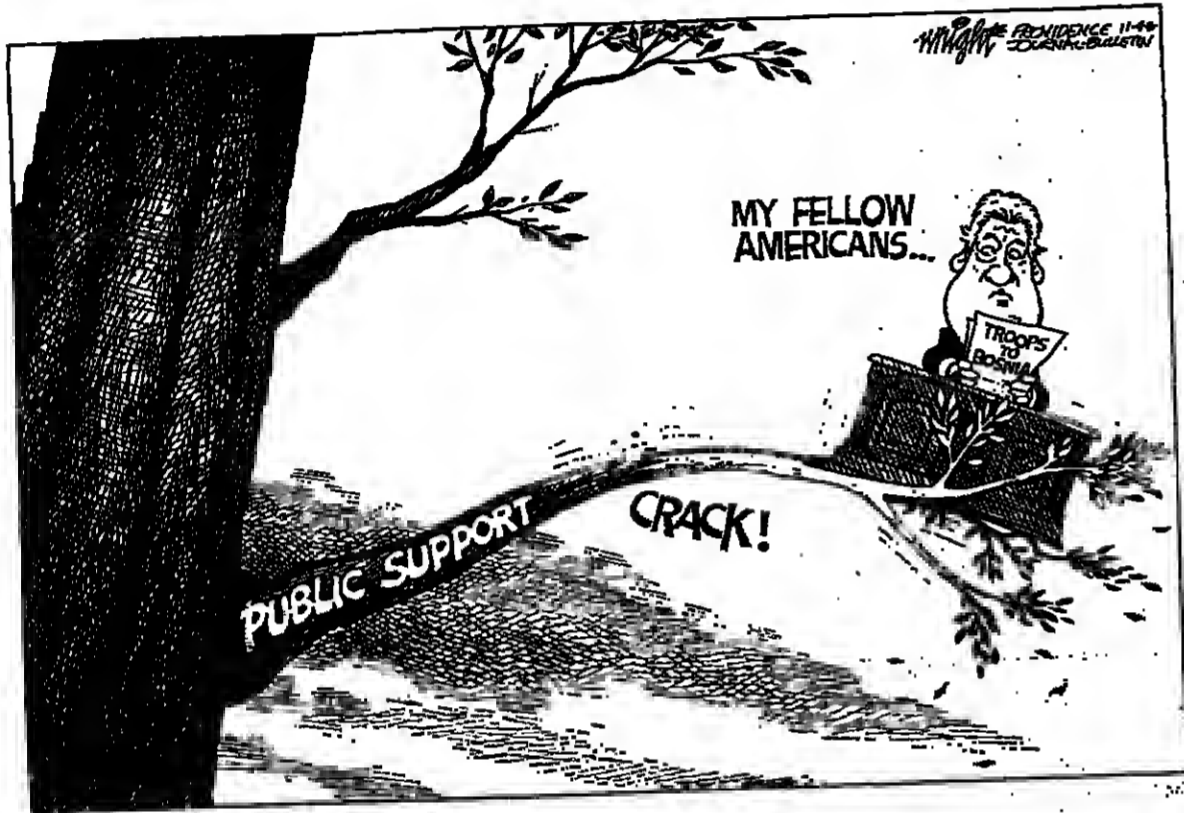
Is there any way the GOP can rescue this proposal from being just flat unfair? Jerry Brown, 1992's flat-taxer, may have the answer. Brown says the flat tax was never his full vision, but a piece of a "larger agenda" in which a flat tax throws nur "profound crisis of inequality" into starker relief, paving the way for a wealth tax to address the progressivity question directly. Forget for the moment that Brown didn't talk this way in '92; people evolve, especially in California. Almost a dozen European countries have taxes on wealth. Even if the first \$250,000 in net worth is exempt (leaving just a handful of voters affected), a modest wealth tax with marginal rates of 0.05 to 0.3 percent would raise \$40-50 billion yearly, and go a long way toward remedying the flat tax's perceived injustice.

What about it, "Steve"?

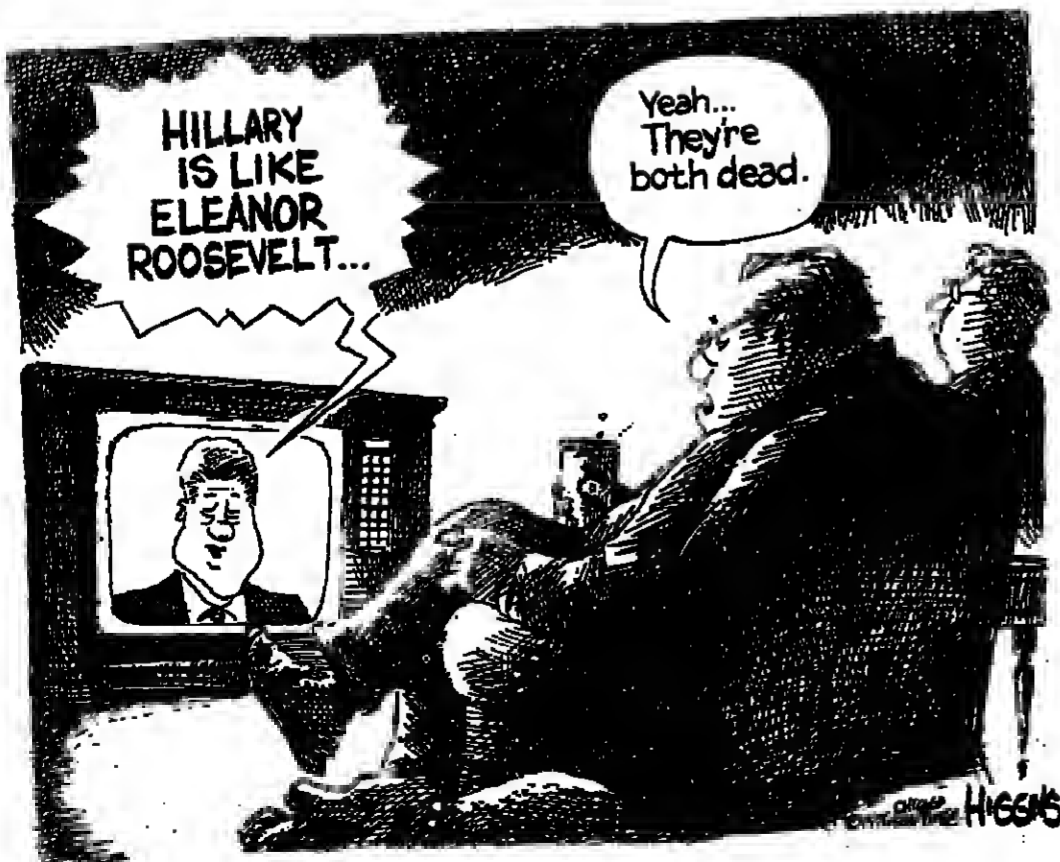
(Matthew Miller is economics editor of The New Republic.)

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EDITORIAL CARTOONS



"THE BAD NEWS IS THEY WANNA TRY US AS WAR CRIMINALS... THE GOOD NEWS IS THEY'RE GONNA TRY US IN L.A...."



Election mudslinging starts early this year

BY MICHAEL CROWLEY

Primary season is upon us in the United States, and on the airwaves in New Hampshire and Iowa, things have taken rather a nasty turn. "Since 1982 Bob Dole has voted for 16 tax increases.... Bob Dole voted to increase income taxes. Taxes on phones, gas, even Social Security...." "Million-dollar pensions for Congress paid for by taxpayers?... Bob Dole says 'Yes....'"

A Gramm attack ad? A Buchanan low blow? No, these are the ads of the blow-dried, good-guy millionaire, Steve Forbes, who's suddenly doing remarkably well. Forbes's early ads, in which he grins like a weenie while sketching out his flat tax, have suddenly given way to a wave of attack spots, nailing both Dole and Gramm as sinister tax-raising insiders, in the ominous tones of a "Frontline" documentary.

This flurry of punches from a neophyte candidate has stunned his opponents. But it comes as little surprise to those familiar with Forbes's circle of advisers. Campaign pros agree that Forbes's ads bear the fingerprints of two staunchly conservative North Carolina campaign veterans who convinced Jesse Helms to run for Senate and then raised millions for all his campaigns, and who boosted the presidential ambitions of Pat Buchanan and Pat Robertson. Their storied record includes the infamous Helms campaign "hands" ad, showing white hands crumpling a rejection letter for a "quota job" awarded to a black applicant.

Notorious in the world of campaign operatives, fixtures in deep-fried conservative circles, Tom Ellis and Carter Wrenn are masters of the inflammatory campaign. Forbes's rise may have less to do with his sunny Reaganism than with the dark side of his newest campaign opportunities.

Forbes met Ellis and Wrenn through mutual buddy and Reader's Digest editor Ken Tomlinson, and from the beginning, the Forbes campaign has tried to downplay their role. But the explanations fall flat. Ellis is described as an "unpaid volunteer" who occasionally drops a note, but before he stopped talking to the press, he was a verbose Forbes spokesman, familiar with details of the campaign's marketing, advertising and mass mailings. Wrenn moved to New Jersey to run the campaign headquarters in

Bedminster where, Forbes's aides implausibly suggest, he oversees the fax machine and "makes sure the lights are on." "To have a guy like [Wrenn] be the administrator of your fax machines is sort of like getting Michael Jordan to teach junior high school students to play basketball," says political consultant Gary Pearce, who faced off against Wrenn and Ellis in a 1984 Senate campaign against Helms. Ellis himself told The Raleigh Triangle Business Journal this fall that campaign manager Bill Dal Col is the "ritual head, I guess, but as far as the nuts and bolts of the campaign, Carter is doing it all."

Sure enough, Forbes's menacing ads are straight out of the Wrenn-Ellis mold. "I recognize the product, and they're doing the ads," says Charlie Black, Gramm's chief strategist. "Almost like the mark of Zorro," says North Carolina politico Harrison Hickman.

Ellis and Wrenn's history is one reason for the Forbes campaign to keep them under wraps. Even Helms has stopped speaking with his erstwhile promoters, claiming they abused his good name for their fund-raising (nevertheless, Helms introduced Forbes at a North Carolina rally last June as "Mr. President"). "They cleaned my clocks," says Pearce. "A lot of people will complain about the racial appeals in their ads, but they win. They play to win."

Since the 1970s, the National Congressional Club (now called the Conservative Club), a fund-raising machine founded and directed by both Wrenn and Ellis, roped in almost \$50 million for Helms's campaigns and helped elect several other hardened North Carolina conservatives in the Helms mold such as the state's acerbic junior senator, Lauch Faircloth. Under Ellis and Wrenn's guidance, the Congressional Club routinely hammered away at the politics of division, neatly summed up by Wrenn in 1990 when he said that "What you have opposing Helms is another coalition of homosexuals and artists and pacifists and every other left-wing group."

Further back in the past, the politics get uglier. Ellis, a former segregationist, drove away support from Gerald Ford in 1976 by promoting the idea that Ford was planning to choose a black running mate, and he served as director of the Pioneer Fund, a group that has long funded research into

theories that whites are genetically superior to blacks.

Ellis's wacky racial views were the cause of a major media embarrassment for Ronald Reagan in 1983. When Reagan appointed him to the Board for International Broadcasting, on which Forbes himself would later serve, Democratic Senators Joe Biden and Paul Tsongas lit into him. Ellis was forced to admit to cozy relations with the apartheid government of South Africa (whose policies he said he didn't wish to "second-guess"); to his handbills about Ford's alleged running mate; and to his directorship in the 1970s of the Pioneer Fund, whose charter at the time discussed "racial betterment." Chastened, Reagan withdrew the nomination, saying he'd been made to seem "prejudiced, if not an outright bigot."

In appearance Wrenn makes an obese contrast to his thin, septuagenarian partner, but in ideology he is much the same. When he masterminded Helms's 1990 race against Harvey Gantt, the campaign sent out a 1990 mailing to 125,000 mostly black North Carolinians warning they could be prosecuted for going to the polls on Election Day.

So what is Forbes doing with these guys? The candidate stresses that he sets the direction for the campaign, but asked last week about Wrenn and Ellis, he had nothing to say about their race-baiting past.

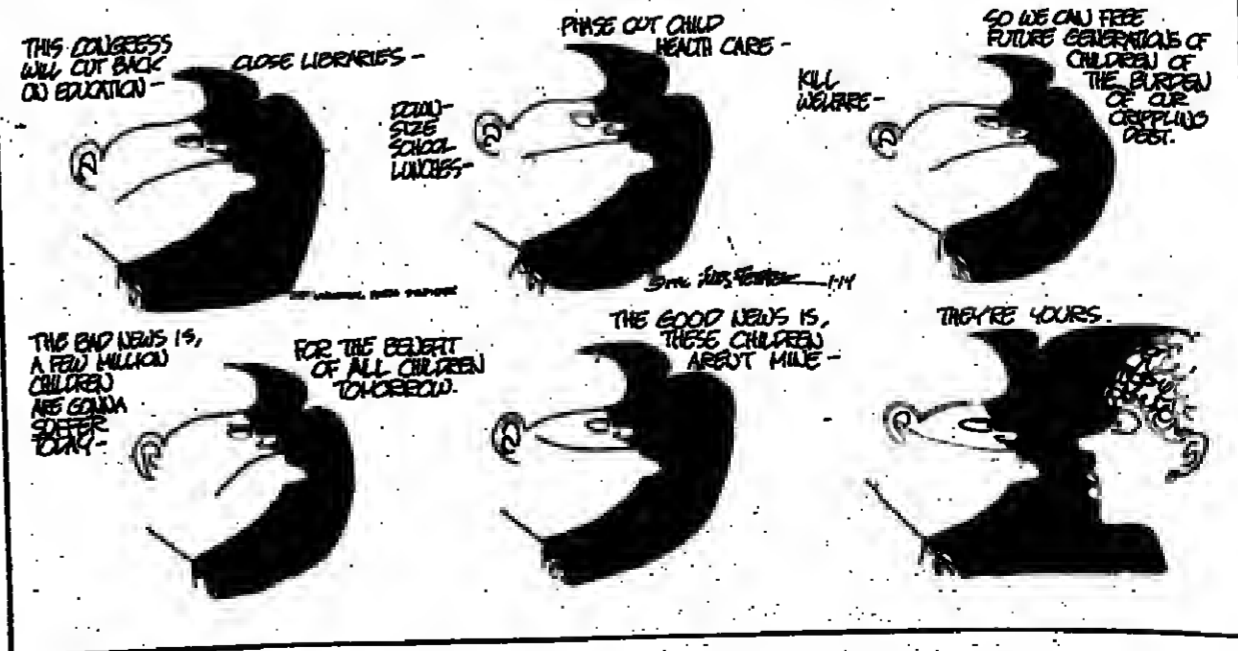
"There's a hard edge to them," explains Jude Wanniski, who helped persuade Forbes to run. "Just as a president has a State Department that's diplomatic, he has a Defense Department that hits." In other words, Forbes is quite happy with the value-free game of politics he assails his insider opponents for playing. And so far, it's working.

Michael Crowley is a reporter for The New Republic.

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SUNDAY COMICS

ing year

Doonesbury
G.B. TRUDEAU

Panel 1: Billy Billy, you're eating the wrong way! You have to chew each piece, you see!

Panel 2: Hello? I don't hear you, Al! I thought you said these were cake!

Panel 3: I did! Al, there's already a used beer can and a plastic bottle and the food is gone and the waitress says she's left!

Panel 4: Do you have any glasses and silverware and the bill, sir?

Panel 5: Well, most of them are here! Here! But I don't have the bill, sir.

Panel 6: Well, here's also the bill, sir.

Panel 7: Oh, believe you at that? It's not the bill, sir.

Panel 8: I think we can convince a jury that the bill is an attractive nuisance, and hit the box company for inferior cardboard.

PEANUTS
by SCHULZ

Panel 1: Snoopy is flying his plane.

Panel 2: Woodstock is flying.

Panel 3: Snoopy is flying.

Panel 4: Snoopy is flying.

Panel 5: Snoopy is flying.

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Panel 99: Snoopy is flying.

Panel 100: Snoopy is flying.

Topper
By JOE WILSON

Panel 1: Not another novel.

Panel 2: No, this is a TV special concept.

Panel 3: I'm doing a proposal for a treatment of the secret letters.

Panel 4: It's a magical, upkissed version.

Panel 5: More coffee?

Panel 6: Yeah, pour it directly into the keyboard.

Panel 7: Mister gets an expensive defense team.

Panel 8: Reads guilty to following too closely.

Panel 9: And his her sentence reduced to an A-minus.

Calvin and Hobbes
by WILSON

Panel 1: What should we have had read us tonight?

Panel 2: So in the next panel, Superbad goes 'Ploce' and...

Panel 3: My, what big teeth you have! Said little red riding hood, the better to eat you with! Said the wolf...

Panel 4: Tiger.

Panel 5: Said the tiger, and he pounced on little red riding hood.

Panel 6: Just then a hunter came by, and when he saw the wolf...

Panel 7: When he saw the tiger, he picked up his gun and...

Panel 8: And?

Panel 9: And it was too late, the tiger ate them both and he lived happily ever after, the end!

Panel 10: Good story, Dad! Thanks!

Panel 11: Sniff! I always cry at happy endings.

by Wiley

Whoever invented the football was probably busy at work.

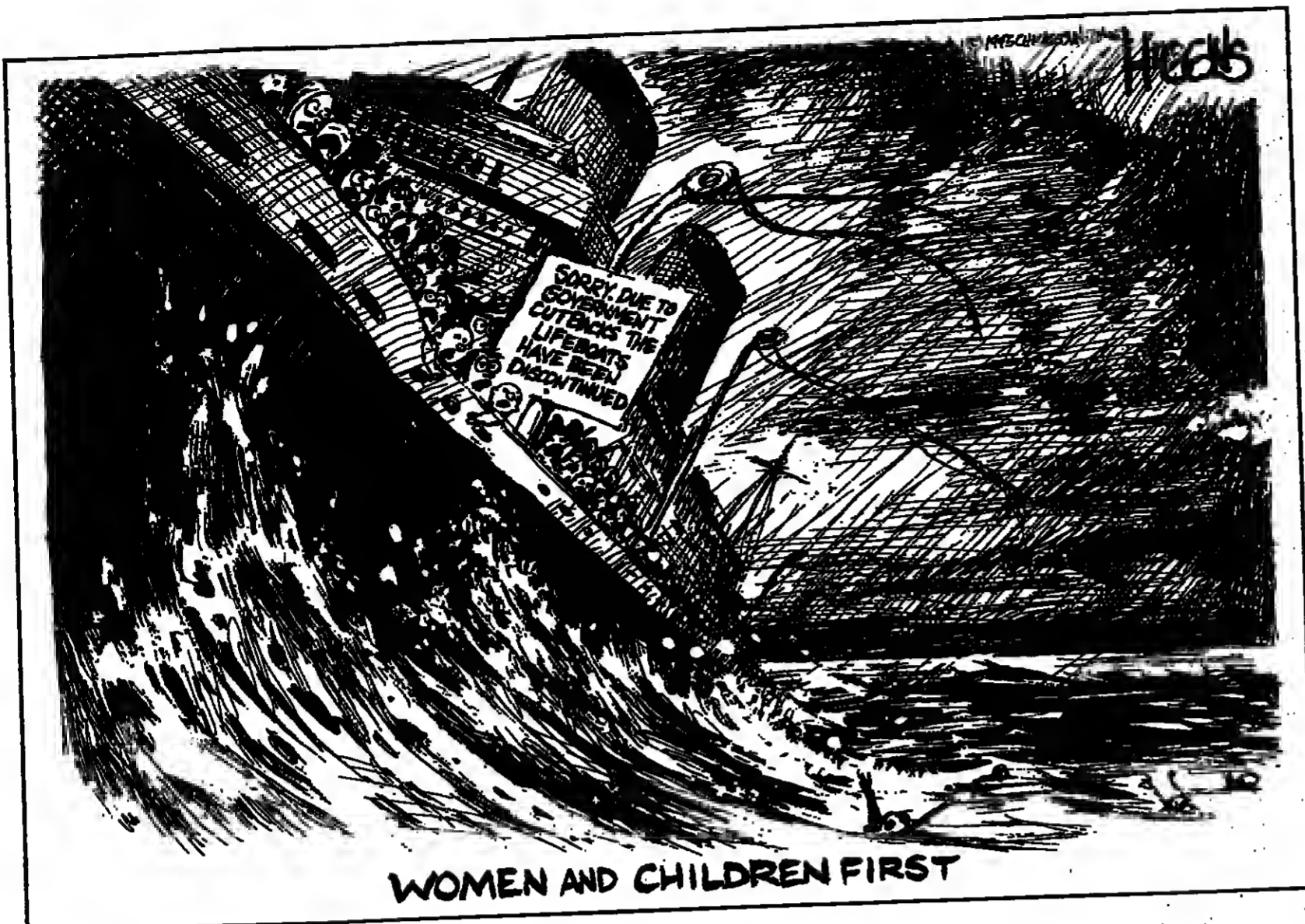
Why don't they have a super bowl for peg leg ball?

Trying to create a much rounder ball that imploded and then went berserk.

Thus, when he found it too awkward for soccer and much too plebian for cricket, he created "4 downs" of which 3 were to carry it and a fourth—if you fancied to kick it!

TODAY'S SUNDAY PUZZLE

- ACROSS**
- 1 Hawaiian city
 - 2 California
 - 3 Soups specialty
 - 14 Traverse
 - 19 Kind of energy
 - 20 Footnote word
 - 21 French river
 - 22 Sun up
 - 23 Claim
 - 24 Actor Rob
 - 25 Vornish
 - Ingredient
 - 28 Fill with joy
 - 27 — pro quo
 - 29 The works
 - 30 Author Wheel
 - 32 Program host
 - 34 Iowa West role
 - 35 Actress Mary
 - 38 Fruity beverage
 - 37 Like most models
 - 39 Map feature
 - 38 Quiter's word
 - 40 Cook's attire
 - 42 California capital
 - 45 Latin word
 - 47 Child's card game
 - 49 — out spend
 - 50 Be present
 - 52 — esse
 - 56 — gh
 - 59 Dutch cheese
 - 61 Actress
 - 62 Of long standing
 - 64 Summa
 - 65 Abel's brother
 - 68 Outspoken
 - 67 Heavenly
 - 68 Author France
 - 70 Filament
 - 71 Wildcat
 - 73 Shading addition
 - 74 Tail
 - 75 Type of bicycle
 - 77 Irish islands
 - 78 Author Zora
 - 79 Reaction
 - 81 Actress Lori
 - 84 Loss color
- DOWN**
- 1 More religious
 - 2 — — Three Lives
 - 3 Fall behind
 - 4 Mountain nymph
 - 5 Involves
 - 6 Commotion
 - 7 Game
 - 8 — Eastnet
 - 9 Bog down
 - 10 Mother Gynl
 - 11 Took umbrage at
 - 12 Red shade
 - 13 Therefore
 - 14 Canadian Indian
 - 15 Electric unit
 - 16 Florida city
 - 17 Wedding-dress fabric
 - 18 Type of wheat
 - 19 Drink nasty
 - 22 Greenish-blue
 - 23 Bandleader Brown
 - 31 Not grown up
 - 33 Greek letter
 - 35 Anecdote collection
 - 37 Con game
 - 38 As a whole
 - 39 Indianapolis team
 - 41 Have girls
 - 42 King of Arden
 - 44 English school
 - 46 Central part
 - 48 Property
 - 51 100 cents
 - 53 Long-time inmate
 - 54 Shuborn as —
 - 55 London TV
 - 56 Headliner
 - 57 Solitary
 - 58 October birthstone
 - 60 Vegas cube
 - 61 Transparencies
 - 63 Certain portion
 - 65 Pigeon shaker
 - 66 Prefecture
 - 67 Jaunty cap
 - 69 Biblical weed
 - 70 Barbara's partner
 - 72 Military student
 - 73 Rich case
 - 74 "Plop"
 - 75 Fleasly insect
 - 80 Baggage handler
 - 82 Captain's harness
 - 83 Ready for business
 - 84 Dismissed
 - from a job
 - 85 Carve about
 - 86 Playing card
 - 88 As a group
 - 89 11 Ostrichlike bird
 - 92 Helate
 - 93 Seed cover
 - 95 Conical dwelling
 - 96 Linen
 - 98 Court
 - 100 Insect stage
 - 102 Harvest
 - 103 Columnist Barret
 - 104 — between New York and Boston
 - 107 Feeler
 - 108 Court
 - 111 Modern prince's domain
 - 112 Tel Aviv native
 - 114 Actress Jillian
 - 115 English hat
 - 116 Say in a complaining tone
 - 119 Which person?
 - 121 "Will it play in —"
 - 122 Shunt
 - 123 Ms. Home
 - 124 Initial
 - 125 Run off to wed
 - 128 Lion trainer
 - 129 Dwarf
 - 131 Refugee
 - 134 Partly sensitive
 - 135 Term —
 - 136 Mercedes —
 - 137 Denomination
 - 138 Hearing organ
 - 141 Lower limb
 - 143 Roster
 - 145 However



Red alert

Changing the balance in Russia

By PETER REDDAWAY

As soon as the early results of the Russian elections of Dec. 17 came in, the American reaction was remarkably sanguine. The day after the clear-cut communist-nationalist victory, White House spokesman Michael McCurry saw "a strong presence in the newly elected Duma of reformers and those committed to democracy and market economics." Michael McFaul of Stanford University, like other Russia experts quoted in the media, held in a New York Times op-ed that "the election was a virtual replay of the voting in 1993" and that the overall balance of seats between hard-liners and reformists "will not change significantly." Moreover, "the electorate... has remained extremely stable in its sentiments."

Now that fuller data are available, it is clear that these commentators were seriously off-base. The results show unambiguously that hard-line forces made big gains; the democratic parties suffered heavy losses; the forces hostile to market reform advanced; and both President Yeltsin and Prime Minister Chernomyrdin were humiliated.

Most of these points are illustrated by the fate of the only two parties of any size that are truly committed to democracy and free markets. Led by the economists Grigory Yavlinsky and Yegor Gaidar, these parties will, pace Mr. McCurry, have only 12 percent of the seats in the new Duma, compared to twice that number after the 1993 election. In terms of the popular vote for parties (as opposed to individual candidates) they did equally poorly. Their combined share of the party vote dropped from 23 percent in 1993 to 10.8 percent.

More broadly, McCurry and McFaul fail to note how, since 1993, the center of gravity of public opinion has moved sharply in the "wrong" direction on key issues. During the election, dominant attitudes among the voters were coolness and even hostility to market reforms and to the West, a desire to reincorporate Russia's neighbors into a new version of the USSR, and a yearning for an "iron hand" at home. To Russians, this term means a moderately authoritarian rule to deal with crime, corruption and the impoverishment of half the population. In my opinion, such rule would inevitably - even though many voters do not as yet say they want this - put an end to much of what is now left of Russian democracy.

What is the likely new balance of forces in the Duma? To date, we know for sure the party affiliation of 373 of the 450 deputies. Politically, they fall into four categories. The first two are generally authoritarian and anti-Western in tendency: the communists, who with the Agrarians will have about 178 seats,

and the hard-line nationalists, who will have about 67. Third come the centrists, most of whom have shown scant interest in democracy but a strong commitment to political elitism and economic power for themselves. They will have about 65 seats. And fourth are the democrats, who will have about 63. This would give the hard-liners an advantage on political issues of about 245 to 128 over the combined centrists and democrats. The hard-liners, of course, are likely to prove almost as disunited as their notoriously fractious opponents. This is because 51 of them belong to the ultra-nationalist party of Vladimir Zhirinovskiy, who has never been interested in making a stable coalition with any other party.

The remaining 77 deputies are independents. Preliminary indications suggest that those who will align with the above groupings (and not just represent special interests) will change the balance only a little. So the Duma should have roughly this political coloration: about 16 percent democratic (half of the 1993 figure), 45 percent communist (twice the 1993 figure), 15 percent hard-line nationalist, 19 percent centrist and 5 percent special interests and "other."

If we narrow the focus to look at parties' policies on foreign affairs, especially at whether they favor Russia's integration into Western security systems, or, alternatively, a return to Soviet-style superpower aspirations, the result is similar. While the views of a few deputies cannot yet be gauged, some 62 percent of those who can be categorized appear to fall in the latter camp, and only about 17 percent in the former (with the remainder in the middle). This represents a swing of over 20 percent in the anti-Western direction, compared to 1993.

A third categorization of the new Duma in terms mainly of deputies' attitudes to economic reform is not encouraging either. Developed by a leading Russian analyst of election results, Alexander Sobyatin, and a colleague, Vladislav Sukhovolskiy, it finds that only 16 percent of the deputies strongly favor market reform, 24 percent are "centrists" and almost 60 percent prefer a heavily socialized economy - compared to a mere 40 percent in 1993.

In the near term, Yeltsin may well try to appease the voters with some cabinet changes. But even if he doesn't, no major political upheavals are likely before the spring, because the Duma's powers are too limited.

If Yeltsin were to use one of these pretexts without the consent of a majority of the Duma - a contingency that Russians (though not Western wishful thinkers) take seriously - he would be tearing up the Constitution. Politics would then become even more unstable than they are now. But he may not want to run such an enormous risk.

Whatever happens, though, Washington needs to recognize last month's Duma elections as another serious setback to its own hopes and to revise its strategy accordingly. First, the U.S. should stop taking sides in Russia's internal politics.

Second, we should start to prepare seriously for dealing with a Russia run increasingly by communists and nationalists. The shift may be sudden or gradual, and may also be accompanied by the appearance of Yeltsin Mark 5, restyled as a nationalist and authoritarian. All this requires of the U.S. serious efforts to get to know and understand the opposition leaders.

Third, the administration should also admit that several years of IMF-directed attempts at macroeconomic stabilization have not worked. Something is fundamentally wrong when the IMF is pumping into Russia billions of dollars in loans, but sums from twice to 10 times as large (depending on whose estimate is correct) are simultaneously leaving the country in capital flight. The clue lies in the miserably low level of domestic and foreign direct investment. These are held down by investors' deep uncertainties about ownership rights, taxation policies, organized crime, potential renationalization of privatized assets and general political instability. The U.S. needs to decide that it is healthier for the Russians to be allowed to make their own economic policy, even if it includes many mistakes, with ourselves playing non-directive, supporting roles.

Fourth, the U.S. should stop soft-pedaling on the Russian war in Chechnya. The administration's support for the Russian invasion in December 1994 will go down as a shameful day in the history of American diplomacy. But ever since the support was toed down two weeks later, the U.S. has been unwilling to exert serious pressure on Yeltsin to end a war of awful savagery which, from the first day, has undermined Russia's democracy, sapped its economy and dismayed most of its people.

And fifth, the administration needs to realize that the Russian state is now so weak that organized crime and corruption will go on flourishing, and order will not be restored, for an unknown number of years - years in which many unpredictable things will happen. This puts a premium on such policy issues as the Mafia, refugees and peacekeeping, and on planning for a wide range of contingencies not just in Russia, but in much of eastern Eurasia. Dec. 17 was a clear warning shot. It's time for the West to stop covering its ears.

Peter Reddaway is professor of political science at George Washington University.

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The president is not above the law

By ALAN DERSHOWITZ

In a ringing proclamation elevating the right of an individual to redress legal grievances above the power of the president to be immune from civil liability for unofficial acts, the United States Court of Appeals for the 8th Circuit has reversed a lower court order which had delayed the trial of Paula Jones' sexual harassment suit against President Bill Clinton until his presidency is completed. A divided court began its analysis with a recognition that our Constitution "did not create a monarchy." Instead, it established a system under which every individual - president and pauper alike - "is subject to the same laws that apply to all other members of society." Accordingly, Paula Jones' federal lawsuit should proceed as any other private lawsuit would, without regard to the high elective office which the defendant now holds.

Well, not quite. The Court of Appeals went out of its way to make it clear that the trial court should schedule the case - both in its pre-trial and trial phases - with sensitivity "to the burdens of the presidency and the demands of the president's schedule." What this means is that the case will - in practice, though not in theory - proceed on the president's schedule and not on Paula Jones' schedule. It also means that if the president exercises his right to seek rehearing before the entire 8th Circuit bench and to seek a writ of certiorari from the United States Supreme Court, even if he loses - which he probably will - the case will not really begin until after the election in November. This, by itself, is a political victory for the president, because it will mean that no damaging disclosures will be leaked during the campaign. That is probably why the president appealed the trial court's earlier ruling, which delayed the trial itself until after his presidency, but allowed pre-trial discovery to proceed immediately.

Politics aside, the majority decision is correct in principle. It is important for the courts to come down on the side of individual rights when they are pitted against presidential prerogative. Whatever one may think of the credibility and merits of Paula Jones' factual allegations - and I do not put much stock in them - they raise important legal concerns under our civil rights laws. Hers is not a mere run-of-the-mill tort suit, involving private parties - as an automobile accident case would be. She is alleging an abuse of power by a state governor committed under color of law. Congress has legislated a special civil rights cause of action for such claims, recognizing the important public interest involved in holding those in power accountable for private abuses committed under the authority of public trust.

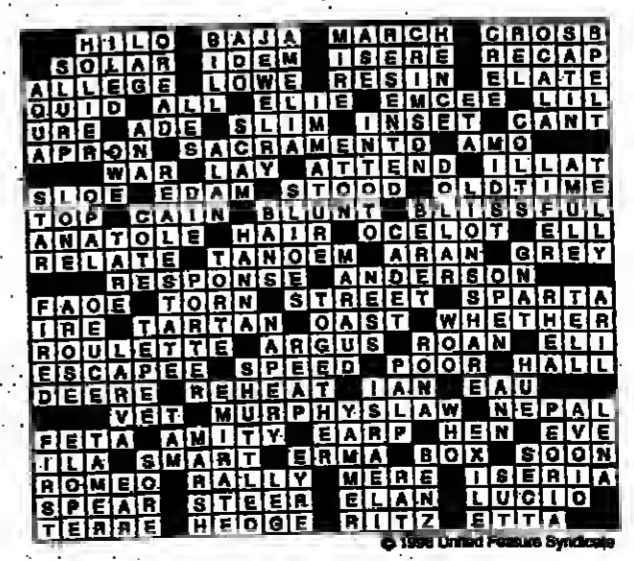
If the court of appeals had sided with the president in this case and granted him blanket immunity against all civil actions during his presidency, it would have created a dangerous and over broad precedent. The president already has immunity to protect him from lawsuits growing out of his official actions as president. It would strike an improper balance to extend that immunity to personal actions as well. For example, if President Clinton were to have actually punched columnist William Safire in the nose, as he quite understandably wanted to do, he should have no immunity from that un-presidential, but very human, act. In this case - if Paula Jones is to be believed, as she must be for purposes of deciding whether she has a right to try to prove her case in court - Bill Clinton is accused of even more serious conduct.

Not even the president is claiming that he should be permanently immune from suit for his unofficial actions. He, and the dozens of law professors who filed an amicus curiae brief on his behalf, are seeking temporary but total immunity from all suits being conducted during his incumbency as president, even from those resulting from alleged acts committed before he became president. But justice delayed is justice denied, since delay is almost always a victory for the defendant. Witnesses could become unavailable, or forgetful, and the plaintiff, who bears the burden of proof, generally suffers most from long delay. Also, if either the plaintiff or the defendant were to die before the lawsuit were concluded, the cause of action could disappear under Arkansas law.

All in all, the court of appeals struck the proper balance. It reaffirmed the principle of equal rights for all under our law, while recognizing the reality that the president is different and that his schedule must be accorded special deference. The decision vindicates the rule of law, while reflecting the role of common sense.

Alan M. Dershowitz is a professor of law at Harvard University. His newest books are "The Advocate's Devil" (Warner Books) and "The Abuse Excuse" (Little, Brown & Company).

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MAX LISSOOS
Thornhill, Ontario, Canada.

JULIUS BERMAN, Chairman
AZYF
New York.

BERNARD E. LIPSCHITZ
Kibbutz Rosh Hanikra.

stay? They are at 318 Dutton
company."

black sneaker, on a railroad
track.

costs and play with mice," he
said.

"The wuer is a strange-look-
freelancer.



Owning a pooch is a family affair

HEADS N TAILS D'VORA BEN SHAUL

AFTER several news stories recently appeared about dogs attacking their owners' families, neighbors or even passersby, many people considering buying dogs have inquired about this problem. Potential dog owners should know just what type of dog they want, and that dog should be suited to their living conditions, personalities, etc. They should be especially sure of their choice if it is a dog of the true working types, even though some of these are not classed in the "Working Class" of the Kennel Club...

and grows if anyone approaches its food dish, even the person it usually obeys. Usually most members of the family become somewhat afraid of it and try to avoid confrontations. In many cases, the owner is secretly proud of his dog's "loyalty" and thus encourages this behavior. There is absolutely no place in a family setting for a one-person dog. A family dog should belong to the entire family and show the same respect to everyone, including the aged and the very young. It should never be allowed to interfere in family disputes or rough-and-tumble play between siblings. Furthermore, no dog should ever be allowed to snap or growl at any member of the family...

Not-so-quiet diplomacy to the USSR

THERE AND THEN SRAYA SHAPIRO

THERE didn't seem to be any chance of forcing the Kremlin to release the Soviet Jews in the early 1950s, nevertheless Israel owed it to the Soviet Jews to do her best to come to their rescue. That was what Nehemia Levanon, a member of Kibbutz Kfar Blum who had been born in Riga, told Staul Avigur and Isser Harel at a meeting they had invited Levanon and some 20 other people to in a private apartment in Holon in 1952. A few weeks later, Harel, who was then the head of the Mossad, appeared at Kfar Blum to inform Levanon that he had been chosen to go to Moscow for precisely that purpose. Levanon spoke perfect Russian, plus some of his former acquaintances from a socialist-oriented Zionist youth movement could serve as good contacts. Beyond that, he had to rely on his wits and good luck. He was expected to operate from the Israeli Embassy in Moscow, though, of course, not openly. Levanon describes what happened subsequently in minute detail in his book Hakod: Naiv ("Naiv is the code name"), a 500-page volume just published in Hebrew by Am Oved. Before Levanon even reached Moscow, the Soviets had broken off diplomatic relations with Israel because a bomb had been thrown into the Soviet embassy in Tel Aviv. Rather than abandon his mission, Levanon tried to continue it from Stockholm. The Israeli Embassy in Sweden listed him as a courier. His allegiance, however, was directly to Avigur, the man who had directed covert Jewish immigration during the British Mandate period. From Stockholm, Levanon wrote letters (with the same type of paper and ink then used in the Soviet Union) to a number of his



Refuseniks, like these in front of Moscow's Lenin Library in 1968, became active after the Six Day War and didn't stop demanding the right to emigrate until Gorbachev came to power. (AFP)

former associates. Friendly diplomats mailed the letters from Moscow, helping Levanon supply false documents to a few Czech and Polish Jews whom he managed to gain seats for on the Budapest-Helsinki Express. After Stalin's death, diplomatic relations with the Soviet Union were restored, and Levanon and his family were able to go to Moscow. He found that the change in the Soviet leadership had barely altered the Soviet attitude toward Jews. Another difficulty was that Israeli Foreign Ministry officials were uneasy about "outsiders" using embassy premises and cover for activities that weren't

strictly diplomatic. However, Levanon notes, doing so had been a common practice in Europe for centuries and the Soviet Embassy in Israel was a prime example of this. Despite this, Shmuel Eliashiv, the head of Israel's mission in Moscow, thought more could be achieved by "quiet diplomacy." He was loath to irk the Soviet authorities by pressuring them on the issue of Jewish rights and emigration. Levanon, in contrast, was sure that in dealing with the Russians one would be wrong to bow down. More worrisome was the frequently heard objection that the Soviet Jews themselves would suf-

fer if the authorities discovered their affinity for Israeli emissaries. The Soviet regime severely punished citizens for any contact with foreigners, and it seemed that no amount of caution could prevent KGB agents from trailing diplomats and local inhabitants. But the plight of Soviet Jews was such that they felt they were losing little by ignoring Israel's outstretched hand. Indeed, after the Six Day War, when Israel was forced to close its embassy again, Soviet Jews significantly increased their efforts to emigrate. The "Prisoners of Zion," as those imprisoned for trying to emigrate to Israel were called, continued declaring their right to remain

Jewish even from their prison cells. Ten Jews from Leningrad even attempted to hijack a plane. THIS STAGE of Levanon's career came to a close when, while two Russians were being tried in Tel Aviv for espionage, Moscow requested that he and two other embassy officials leave the country. "They did not even bother to declare us persona non grata," Levanon notes. Still, Levanon continued Operation Naiv, struggling to obtain accurate information about the Soviet Jews' fate and publicize it in the West. For example, *Babi Yar*, the poem in which Yevgeni Yevushenko mourned the Jews whom the Germans had murdered near Kiev, was made widely known by the efforts of Levanon and his colleagues. Then, in an unprecedented gesture, US senator Henry Jackson linked Soviet preferential trade conditions to freedom of emigration for Soviet Jews. Though the KGB continued to arrest Jews who were caught listening to the Voice of Israel broadcasts or otherwise disclosing their affinity for Israel, a small number of Jews whose families were already in Israel were permitted to leave. The emigration restrictions were not lifted until Mikhail Gorbachev rose to power. Gorbachev said that though he did not cherish the idea of the Jews leaving - their skills as scientists, engineers and physicians were needed - he was aware of the unease in which they lived in Russia. He also understood their desire to live in a Jewish state. It irks Levanon that some critics glibly charge that Israel did little if anything for the Soviet Jews. Obviously, his own work had been top secret. But back in the mid-'50s, David Ben-Gurion himself had proved to be far ahead of everyone when, digressing from a lecture on a biblical subject, he had said that the state must prepare for mass immigration from the Soviet Union.

Bhutan: Is it Shangri-la or gulag with a view?

WHILE the world reads for the 21st century, Bhutan is expanding energy keeping parts of the 20th century out. It has no television station, and satellite dishes are banned except for use by diplomats and foreigners. There are three lawyers. The only newspaper comes out once a week. Political parties are outlawed, the head of state is an absolute monarch and there is a national dress code. In this cool green nugget of the eastern Himalayas, live a hardy, placid Buddhist people who eat fiddlehead ferns and yak meat and who can point out the treecrops and mountains where evil spirits dwell. Snow leopards and white-tailed monkeys bound through forests of juniper, larch, blue pine and rhododendron. Buddhist prayer flags flutter by the thousands from hillside. Towering above valleys made verdant by monsoon rains, snow-dusted peaks soar high into the sky. "If there is a Shangri-la left in the world," an awestruck conservationist from the Washington-based Worldwatch Institute wrote after a visit. "It is Bhutan." But now Bhutanese leaders are asking if Shangri-la can withstand the onslaught of *Jeep*, *Dredd*, *Jean-Claude Van Damme* and other invaders of contemporary culture and market economies. And there is this more fundamental, troubling question: Is, or was, Bhutan really Shangri-la? Though astonishingly beautiful, it is one of Asia's poorest countries. At the start of the 1990s, a mysterious exodus took place here that some say resulted from ruthless "ethnic cleansing." Today, 86,000 ethnic Nepalis are living in UN refugee camps in southeastern Nepal; they claim that they were expelled from Bhutan or terrorized into fleeing by Bhutan's army and police. "Shangri-la? Bhutan is more like a gulag with a view, suggests the State Department's 1995 Human Rights Report, compiled from interviews conducted outside the country. But the country's leaders deny the claims, and independent proof of the most serious charges is scanty or nonexistent. The US has no embassy or diplomatic relations here, and until last spring, an American human rights reporting officer had not visited in four years. "It's the budget squeeze," explained a US diplomat based in neighboring India. Today, Bhutan survives as the only sovereign Himalayan realm whose state religion, Mahayana Tantric Buddhism, blends mystery, ritual, mantras, and belief in supernatural gurus able to turn into griffins or eagles.

King Jigme Singye Wangchuck, Bhutan's sober, hard-working monarch who turned 40 on November 11, knows all about the fate of the other Buddhist kingdoms that once ruled Himalayan heights. Via *Time*, *Newsweek* and shortwave radio, he keeps tabs on the world. And when you get down to it, the king said, his main concern is a massive influx of illegal immigrants. "I feel the No. 1 problem of the 21st century is going to be economic migration," he said. Over the past decade, the greatest challenge to Bhutan has come over the western mountains - from Nepal, a Hindu land with more than 30 times Bhutan's population and a prolific birthrate. The National Assembly has enacted many watchdog laws, such as a building code that requires Bhutanese wooden-frame windows, cornices and other motifs of traditional architecture. "Otherwise, it will all evaporate in this process called development," Home Minister Dago Tsering explained. But whether change will be all that manageable seems dubious. In the southern city of Samchi on the Indian border, a region more open to outside influences, budding teachers at the National Institute of Education hosted a talent show this autumn that included two students lip-synching M.C. Hammer's 1990 rap hit "U Can't Touch This." For some in the audience, this was a cultural bombshell. "The craze for Western culture is the aspiration of the young these days," Nim Dorji, a plant manager who was the evening's guest of honor, said with a frown. BY ALL accounts, trouble came to Shangri-la in the late 1980s. In 1988, a national census revealed that there were 100,000 illegal Nepalis in Bhutan. What happened next in this neglected land is murky. The next year a royal edict made the traditional Drupka costume - for males, an ankle-length kimono, or *gho*; and for women, the *kira*, a long dress - mandatory for Bhutanese when visiting government offices, monasteries, schools and public gatherings. In September 1990, protests broke out in the south. Several thousand demonstrators marched in from India and clashed with the Royal Bhutan Army. Militants from the Bhutan People's Party, an ethnic Nepali group, decapitated officials and kidnapped suspected police informers across the unpatrolled border to tea estates in West Bengal, where they were tortured and some were executed. On the Bhutanese side, authorities muzzled *Kuensel's* coverage for a year. Nepali-language



King Jigme Singye Wangchuck (shown shortly after his coronation in 1974): I feel the No. 1 problem of the 21st century is going to be economic migration. (UPI)

broadcasts of All-India Radio were jammed, Indian human rights activists said. And "ethnic cleansing" began - or did it? "There was a clear policy to evict," asserted Ravi Nayar, head of the New Delhi-based South Asia Human Rights Documentation Center, who swam across a river, his laptop computer on his head, to investigate what was going on in southern Bhutan in the early 1990s. But Brian Shaw, a Bhutan specialist who visits regularly, counters that, though he has found evidence of police abuses, the charges of an organized government terror, rape, and mass deportation campaign are "the policy of the Big Lie." (Los Angeles Times)

A trail of Jewish soul music from Hiroshima to the Holy Land

THE scene had a touch of the bizarre. The setting was an auditorium in Birobidzhan, capital of the ex-Soviet Union's "Jewish Autonomous Region," where an audience of Jews and their Siberian compatriots were weeping emotionally during a concert of Jewish and Israeli soul music. The two Hebrew-speaking performers on stage were Isaku (Yitzhak) Fujita and his wife P'nina, both Japanese. "We brought Jewish identity to the Jews of Birobidzhan," Isaku Fujita recalls proudly. That was four years ago and the Fujitas have since performed in Germany, Holland and Japan as Israel's musical emissaries. Isaku Fujita was in Los Angeles recently, where he performed in two concerts. In an interview, he traced his path from Hiroshima, where he was born 30 years ago, to his immigration to Israel and role as interpreter and creator of Hebrew music. Fujita's parents were members of Makuya (Tabernacle), a Christian non-missionary movement whose followers are "ardent [Hebrew] Bible believers and lovers of Zion," he said. They taught their son Tamach, the songs of Israel and the Jewish people, and a belief that "Jewish music is a prayer that comes deep from the soul and is therefore relevant to all mankind." As a teenager, Fujita enrolled at the Tokyo Academy of Music. At 16, he won a musical competition that Makuya sponsored by playing Hassidic melodies on an electric organ. The prize was a trip to Israel. His first stop was at the Western Wall, and, he recalls, "I felt im-

mediately as if I were coming back to my spiritual homeland." He returned to Japan to finish his education and started composing for the movies. Then, eight years ago, at age 21, he decided to live in Israel to research Jewish soul music, which he defines as "Klezmer, Hassidic, anything that comes from the Jewish soul." In Tel Aviv, he began studying with composer Noam Sheriff and clarinetist Giora Feldman, whom

he considers his patrons and mentors. Five years ago, he met P'nina, a trained vocalist and Makuya follower who had moved to Israel and was studying with Israeli singer Shuli Natan. In recent years, Isaku has evolved into a major composer on Israel and Jewish themes. His magnum opus is the symphonic poem, "To the Holy Land," first performed two years ago in Israel, which will be the centerpiece of the January 24 and February 4 concerts here. The music opens with the blast of the shofar, traverses Jerusalem's Old City, the Judean desert and the Sea of Galilee, picks up the sounds of church bells and the mosque's call to worship, and closes with a prayer for the eternal peace of Jerusalem. Also on the program are popular and liturgical Hebrew melodies, sung by P'nina, with Isaku accompanying her on the synthesizer. After their performances here, the Fujitas will fly back to Israel for rehearsals for a major musical program in Jerusalem on February 20, part of the Jerusalem 3000 celebrations.

A member of Makuya living in Israel has become a major composer of Klezmer and Hassidic music, Tom Tugend writes from LA

The Cambridge Illustrated History of BRITISH THEATRE by Simon Trussler. Lavishly illustrated in the best tradition of the Cambridge University Press, this 404 pp. volume presents a social and cultural history of Britain as much as a description of actors, directors, designers and authors. From the early Middle Ages to contemporary times and themes, the author describes early forms of drama and religious ceremony and weaves the history of social and political forces which shaped theatre. Selected contents include: The Era of the Outdoor Playhouses; The Restoration Theatre; Romance and Realism; The War and The Long Weekend; Theatre and the Marketplace. Hardcover, color and black-and-white prints, photographs, sketches, playbills; Chronology, Glossary, Who's Who, Select Bibliography, Index. JP Price: NIS 191, incl. VAT, postage and handling (in Israel) Door-to-door delivery (where available): NIS 199. To: Books, The Jerusalem Post, POB 81, Jerusalem 91000. Please check me deliver The Cambridge Illustrated History of British Theatre. Enclosed is my check payable to The Jerusalem Post, or credit card details: Visa Isra/MCD Diners AmEx. CC No. _____ Exp. _____ Name _____ Address _____ City _____ Code _____ JD No. _____ Tel/Fax(day) _____ Signature _____ Please list gift recipients' names and addresses separately.

Jerusalem Symphony Orchestra L.B.A. Music Director: David Shallon 1995-96 Season. "THE POPULAR SUBSCRIPTION" Concert No. 3 Wed January 24 Series D ■ Thur January 25 Series E. David Shallon Conductor. Smetana Overture & Dances from "The Bartered Bride" Hindemith Symphonic Metamorphoses on themes by Weber Brahms Symphony No. 1. "THE CLASSIC SUBSCRIPTION" Concert No. 6 Wednesday February 8 Series C. Guest Orchestra: THE ISRAEL CAMERATA REHOVOT. Karl Anton Rickenbacher Conductor. Ohad Ben-Ari Piano ■ Gabriela Bukovsky Oboe. Kopytman "Cantus VI" for Oboe and Chamber Orchestra. Mozart Piano Concerto in B-Flat Major, K. 595 Stravinsky Concerto in D. Mozart Symphony No. 29 in A Major, K. 201. The Orchestra Box Office Sun-Thur 4-8 PM Fri 10-1 AM Tel. 611498.

Stocks close higher UK shares end mixed

WALL STREET REPORT

NEW YORK (AP) - Stocks shot higher Friday in reaction to strong earnings reports, despite a mixed reading on the economy that sent bond prices lower. On the Wall Street, the Dow Jones average of 30 industrial stocks was up 60.33 to finish at 5,184.68. Despite the strength in the Dow average, advancing issues barely led decliners on the New York Stock Exchange. Big Board volume was heavy at well over 400 million shares and up from Thursday's pace. Broad market indexes also rose. Blue-chip stocks benefited from a rush to safe, highly liquid names, said Thomas Brown, market strategist at Rutherford, Brown and Catherwood in Philadelphia. "This is a market where quality is leading the way, and the cyclical are really in the fore-

front of that," Brown said. The Dow industrials were led higher by IBM, up more than 6 points near the close. The computer giant on Thursday posted a 41-percent gain in fourth-quarter earnings. Also gaining strongly were Dow components Philip Morris, General Electric, United Technologies, Alcoa and Union Carbide. General Electric said fourth-quarter earnings rose to \$1.12 from 45 cents a year ago. Cyclical stocks were also helped by a December employment report that showed a strong increase in manufacturing employment. The Labor Department said businesses added 52,000 jobs in December, mostly in manufacturing. That was the biggest increase since February 1990. The nation's unemployment rate remained at 5.6% in December.

LONDON (Reuters) - UK shares finished mixed today as investors decided to take a breather after a frantic week which saw UK and European interest rates fall, but the FTSE index was only a fraction below all-time record highs. The FTSE 100, which set an all-time high yesterday after a 45-point rise, closed down just 0.3 points at 3,748.4 a gain of 91.1 on the week. FRANKFURT - The stock market soared to record heights on the back of the strong dollar, gains on Wall Street overnight and demand related to a key German share options expiry. The DAX blue chip share index ended at a record closing high of 2,398.76, up 17.86 points on Friday and up 42.31 from last Friday. In post-bourse trade the DAX stood at 2,400.58 up 10.96. TOKYO - Tokyo shares ended flat, with index-linked buying and bargain-hunting making up for weak bank shares amid uncertainty over the problem of housing loan firms ahead of a parliament session starting next week, brokers expect players to stay on the sidelines early next week. The 225-share Nikkei average finished down 4.28 points or 0.02% to 20,365.76, rising 78.34 from Friday week.

\$ up ahead of G7 meeting CURRENCY REPORT

NEW YORK (AP) - The dollar rose against most major currencies Friday as traders dumped the German mark ahead of this weekend's Group of Seven meeting where Europe's slowing economies will be the focus. Figures released Friday showing steady unemployment in the US supported expectations that European central bankers would lower rates sooner than the US Federal Reserve. The dollar fell slightly against the Japanese yen as investors jettisoned marks in mark-yen trades, strengthening the yen against the greenback. The mark's weakness comes as Europe and particularly Germany showed signs of economic slowdown.

Market shifts focus to corporations

WALL STREET WEEK

NEW YORK (AP) - Washington can't stop bickering about the budget? We'll just take our ball to another park. That's what Wall Street seemed to say this past week, as investors drove stock prices sharply higher, even in the face of further deterioration in budget negotiations. Concerns about the moribund talks have not vanished. But they

have "shifted to the back burner," said John Cleland, chief investment strategist at Security Benefit Group of Companies, based in Topeka, Kansas. "The focus now is on earnings, and how fast the economy going to continue to grow." An early peak at earnings did not disappoint. Corporate titans including IBM, Chrysler, General Electric and Microsoft released surprisingly robust profit reports this past week. Out of 635 earnings released by the end of Thursday, 307 came in above expectations compared with 209 below, according to I/B/E/S Inc. Ed Keon, a spokesman for I/B/E/S, said one reason for the number of upside surprises might be that more companies had warned ahead of time that their earnings might not be great. Still, an "encouraging" number of companies have so far exceeded expectations, he concluded. Investors rewarded them by driving their stocks higher, pushing the Dow Jones industrial average up to 5,184.68.

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INTERNATIONAL STOCK PRICES Table with columns for Name, Price, Chg, Name, Price, Chg, Name, Price, Chg, Name, Price, Chg

ISRAEL MONEY MARKETS Patah (foreign currency deposit rates) (18.196) Currency (deposit for) 3 MONTHS 6 MONTHS 12 MONTHS

INFLATION MARKETS Key Representative Rates US dollar ... NIS 4.7288 + 0.06% Sterling ... NIS 4.7288 - 0.62% Mark ... NIS 2.1161 - 0.37%

INFLATION MARKETS New York market indexes DJ Industrials ... +16.17 NYSE Composite ... +1.71

ISRAEL MONEY MARKETS Shekel Foreign Exchange Rates* (18.196) Currency basket US dollar ... 3.2505 German mark ... 2.0965

INFLATION MARKETS US commodities Corn (May) ... 1.274 +0.11 Coffee (Mar) ... 104.89 -0.76

INTERNATIONAL STOCK PRICES NEW YORK IBM ... +1.25 Microsoft ... +1.25

INTERNATIONAL STOCK PRICES LONDON Alcoa ... -0.12 Microsoft ... -0.12

INFLATION MARKETS US commodities Gold (Feb) ... 368.8 -0.3 Silver (Mar) ... 5.47 -0.01

INTERNATIONAL STOCK PRICES NEW YORK IBM ... +1.25 Microsoft ... +1.25

INTERNATIONAL STOCK PRICES LONDON Alcoa ... -0.12 Microsoft ... -0.12

MUTUAL FUNDS

Table with columns: Fund's name, Assets, Net Assets, Monthly Yield, 1995 (%)

Table with columns: Shares, Price, Change

Table with columns: State Bonds, Yield, Price

Table with columns: Company Bonds, Yield, Price

Table with columns: Foreign Currency, Rate, Change

Table with columns: Mixed, Yield, Price

CLASSICAL MUSIC The Jerusalem Post logo and other text on the right edge of the page.

NEWS

Labor to name Peres as sole PM candidate

SARAH HONG

PRIME Minister Shimon Peres will be unanimously elected Labor's candidate for prime minister today. The Labor central committee will have no other candidate before it.

Religious Affairs Minister Shimon Shetreet announced on Friday afternoon that he has decided not to challenge Peres.

Shetreet's explanation for his about-turn was that he had opted not to run "so as not to damage party unity."

But the issue of party unity did not prevent Shetreet from touting his challenge to Peres for several weeks or from attempting to collect enough signatures to put his name on the ballot.

The talk among Labor party members last night was that Shetreet had failed to collect the 300 signatures of central committee members and the 2,500 signatures of rank-and-file party members to back his candidacy.

Shetreet, however, denied this vehemently and asserted that he indeed had obtained all the necessary signatures, but that "what finally moved me was the overwhelming need to defend party unity and to prevent further harmful divisiveness on the left, beyond that which we unfortunately are witnessing these days," presumably an allusion to the dropping out of the Meretz primaries by that party's number one and number-two - Communications Minister Shulamit Aloni and Absorption Minister Yair Tzaban.

"My only motive not to seek the nomination for prime minister was one of the principle, having put the good of the party ahead of my own personal interests," Shetreet declared.

This latest political misadventure on Shetreet's part did not add to his standing in the party, Labor insiders agree. From the beginning, Shetreet was not ranked high on Peres's list of favorites, and the announced challenge did not further endanger Shetreet to mount his hopeless challenge in the first place was the sure knowledge that he would not be given a ministry in another Peres government should Labor win the elections.

Shetreet was not the only drop-out. Another last minute decision not to challenge Peres was announced by Karmiel resident Shlomo Shaked, a political unknown who got a brief exposure to the limelight when he said he would take on Peres. He was viewed as no more than a nuisance challenger.

Thus Peres is left without any rival this afternoon and his election to the party leadership is expected to be by acclamation.



Oklahoma Governor Frank Keating (right), his wife, Cathy, and their son, Chip, plant the first trees of a grove in memory of the 169 victims of the April 19, 1995 bombing of the Federal Building in Oklahoma City, last week in the JNF American Independence Park in the Jerusalem hills. 'After the bombing, we looked to Israel as an example when we didn't know how to recover,' Keating said. The ceremony was attended by schoolchildren who survived the Afula bus attack, led by Elisa Ben-Rafael, whose husband David was killed in the Buenos Aires bombing of the Israeli Embassy. (Text: BatSheva Tsuri; photo: Yisrael Shitai)

WEATHER

Tel Aviv	8-18
Jerusalem	3-12
Beersheva	4-18
Haifa	9-19
Tiberias	8-19
Samaritan	4-18
Dead Sea	7-19
Eilat	11-22
Golden	3-10

Forecast: Clear.

AROUND THE WORLD

Location	Low	High	Forecast
Amsterdam	8-12	15-18	cloudy
Berlin	7-11	14-17	cloudy
Bombay	28-32	35-38	clear
Buenos Aires	12-18	22-28	clear
Cairo	18-22	28-32	clear
London	8-12	15-18	cloudy
Los Angeles	15-20	25-30	clear
Manila	28-32	35-38	clear
Medan	28-32	35-38	clear
Mexico City	15-20	25-30	clear
Moscow	7-11	14-17	cloudy
New York	8-12	15-18	cloudy
Paris	7-11	14-17	cloudy
Rome	8-12	15-18	cloudy
Sydney	18-22	25-30	clear
Tokyo	8-12	15-18	cloudy
Winnipeg	15-20	22-28	clear
Zurich	7-11	14-17	cloudy

Ruling on remand order against Haggai Amir, Adani expected soon

EVELYN GORDON

SUPREME Court Justice Zvi Tal is to rule in the next few days on whether to uphold the remand order against Haggai Amir and Dror Adani, suspected of conspiracy to kill prime minister Yitzhak Rabin and conspiracy to harm or kill Palestinians.

The two were remanded until the end of their trial by the Tel Aviv District Court.

Attorney Zioo Amir, representing Adani, argued at a Friday hearing that the evidence against his client does not justify a remand, and charged that the district court had been influenced by the hysteria surrounding Rabin's death.

While Adani did discuss the idea of killing Rabin with the Amir brothers, the attorney said, idle talk is not considered a conspiracy. Furthermore, he said, the evidence - Adani's own police statements and those of the Amir

brothers - indicates that Adani broke with the group before the actual murder, after his rabbi told him it was forbidden to kill Rabin because it would cause civil strife.

Finally, he noted, even Haggai Amir said in his initial police statements that Adani had never done anything practical to advance the "conspiracy."

Moshe Meroz, representing Haggai Amir, added that it could hardly have been a real conspiracy if assassin Yigal Amir did not even tell his brother before the real attack took place.

Regarding the Palestinians, attorney Amir argued, the alleged decision was too theoretical to constitute a conspiracy, since it was all at the level of "if certain conditions arise" in-

cluding the exit of the IDF from Judea and Samaria and a wave of terror attacks against the Jewish residents there.

Government attorney Prina Gny cited statements given by Haggai Amir and Adani to the police, in which they indicated their firm desire to kill both Rabin and Palestinians. Adani, for instance, said: "If the only way to stop [Rabin] is to kill him, I support Rabin's murder," and "I strengthened Yigal's opinions."

Gny also noted that Haggai Amir ordered an M-16 from the army only two weeks before Rabin's murder, following the group's decision that it was the best weapon with which to kill the prime minister, and had an arsenal in his house. Similarly, she noted, he had a silencer installed on Adam's Uzi to make it more effective for planned attacks against Palestinians.

Hotel strike mars Chinese celebration

MICHAL YUDELMAN

A CELEBRATION here for China's Independence Day turned into a fiasco, when hundreds of striking workers blocked the entrance of Herzliya's Daniel Hotel on Thursday night, preventing some 300 guests from going in.

The ministers, MKs and many dignitaries who arrived in the rain were greeted at the hotel entrance by Chinese Ambassador Wang Changyi, who explained that the party was canceled due to the strike.

Na'amat chairperson Ofra Friedman, who was one of the guests, advised the workers to stay in the hotel until the management opens negotiations with them.

The hotel's 280 workers went on strike on Thursday, after finding out that the hotel's management was planning to close the hotel down next Sunday for several months.

The management had informed the workers only a day earlier that they were all being sent on unpaid leave for an indefinite period of time.

The workers, who are still entrenched in the hotel, fear that the management will use the renovations in the hotel as an excuse to fire some or all of them. They demand negotiations over the terms and time of their "leave" or severance fees.

The workers also disconnected the switchboard and stopped providing room service and other services to the guests.

The Daniel Hotel is run by the Africa-Israel group for the Holiday Inn chain. Most of the hotel guests have left already and other functions scheduled for this week were canceled.

By last night, although there was still no word from the hotel management, a representative of the owners was due to meet the workers and discuss the situation with them.

MKs suggest canceling direct elections

LIAT COLLINS

MKs from different parties have raised the idea of canceling the direct elections for prime minister scheduled to take place for the first time with the next Knesset elections.

Although two bills calling for the cancellation have been submitted, by MK Uzi Landau (Likud) and Yigal Bibi (National Religious Party), they are unlikely to be passed in time for the upcoming elections, and would only be able to take effect for elections in 2000.

Internal Security Minister Moshe Shahal and Minister Yossi Beilin also favor abolishing or at least altering the system of direct elections for the premier. Justice Minister David Liba'i and Knesset Law Committee Chairman Dedi Zucker, on the other hand, both support the idea of the direct elections and even if a bill were to pass preliminary reading, they would be able to delay its passage long enough for it to be irrelevant for the coming elections.

Zucker says the change would cause instability and is not practical at such a late date after the parties have had years in which to prepare for the direct elections.

Beilin called the direct elections system as it stands "dangerous" and noted that although he would not cross the party line on the subject, he would take any opportunity to vote against the direct election system without violating party discipline.

Likud Leader Binyamin Netanyahu was one of the system's most vocal supporters and voted in favor of it, and against the Likud's line, four years ago although today he is less enthusiastic.

Peres originally supported the direct elections, unlike Yitzhak Rabin, but later became one of its greatest opponents. Since Rabin's assassination, however, he has stated his support for the idea.

Frenkel: We should aim for 3% inflation

BANK of Israel Governor Jacob Frenkel on Friday called on the government to commit itself to gradually reduce inflation to the level acceptable in developed countries - about 3 percent - by the end of the decade.

Appearing before the Commerce and Industry Club in Tel Aviv, Frenkel said it is important to ensure that the reduction of inflation in 1995 not be a one-time phenomenon. He added that the current state of the economy requires continued monetary restraint to ensure that inflation is kept in check this year as well, noting that inflation rose at a greater rate in the second half of 1995 than the first.

Frenkel said a plan for further liberalization of foreign currency regulations will soon be submitted to the Finance Ministry for joint discussion. The plan will include a series of steps to further lift remaining limitations on foreign currency transactions.

Frenkel said awareness of the need to reduce inflation increased last year, and the myth that a policy of restrained interest must lead to unemployment and recession had been disproven.

However, he added that the upbeat inflation picture was in contrast to the situation regarding the deficit in the balance of payments, which had reached \$4.2 billion. (Iim)

NEWS IN BRIEF

Prime Minister of Fiji arrives today
Prime Minister Sitiveni L. Rabuka of Fiji and his wife arrive here today for a three-day official visit. Rabuka will meet with President Ezer Weizman, Prime Minister Shimon Peres, Agriculture Minister Ya'acov Tzur, Defense Ministry Director-General David Ivri, and others. He will also lay a wreath at Yitzhak Rabin's grave, and visit Yad Vashem and various holy sites in Jerusalem. (Jerusalem Post Staff)

Hadera man seriously wounds wife with axe
A husband struck his wife over the head with an axe during an argument Friday afternoon in Hadera, gravely wounding her, then turned himself in. The woman, who had recently sought a divorce, was admitted to Tel Aviv's Ichilov Hospital in serious condition. Police found her after receiving word about a dead woman in a Rehov Weissberg apartment. A few minutes later, her husband turned up at the Hadera police station and told police: "I killed my wife." (Iim)

Three charged with rape
Three American men were charged in Tel Aviv District Court Friday with the rape of a woman they met in a Tel Aviv night club. The three - Jerome Coleman, William Brice, and Dmitrius Price - allegedly invited the girl into their apartment, locked her inside, and raped her. The district attorney is to ask for their remand until trial. (Iim)

Settler sentenced for stoning Arab car
Tel Aviv Magistrate's Court sentenced settler Hillel Lieberman of Immanuel to six months' community service Friday for throwing stones at a Palestinian car, Israel Radio reported. Lieberman was convicted of endangering lives by throwing stones at a Palestinian car near another settlement two years ago. The driver of the car slammed into another vehicle as he tried to escape the stones. (Iim)

Detainee can't see classified evidence against him

EVELYN GORDON

ON Friday the Supreme Court overturned a district court decision to allow administrative detainee Aryeh Friedman to examine the classified evidence against him.

Friedman, a rabbinical court lawyer who recently moved from Kiryat Arba to Jerusalem, was arrested 10 days ago and placed under administrative detention for three months. Because he lives within the green line, however, his detention must be approved by a district court president within 48 hours.

When Friedman was brought before Jerusalem District Court President Vardimos Zailer, Friedman requested the right to see the classified evidence against him.

In an unusual move, Zailer partially acceded to this request at a hearing last Sunday, and then, at another hearing last Monday, decided that even more of the classified evidence should be revealed. He justified his decision by noting that imprisonment on the basis of evidence the suspect cannot see - which is the norm in administrative detentions - is "an alien plant to the basic legal principle that one doesn't judge a man in darkness."

The state appealed this decision to the Supreme Court, arguing that revealing the classified intelligence data against Friedman would harm state security.

After a four-hour hearing behind closed doors, Justice Michael Cheshin accepted the state's arguments and ordered that Friedman

Court upholds remand for three Meshulam followers

EVELYN GORDON and Iim

THE Supreme Court yesterday upheld a seven-day remand order against three followers of Uzi Meshulam being investigated for allegedly plotting attacks against public figures.

In total, six Meshulam followers were arrested on January 15, but only three chose to appeal their remands to the Supreme Court. All three argued that the police intelligence against them did not constitute solid evidence, and therefore was not enough to justify a remand. One, Avner Dahari, also argued that he was not even associated with Meshulam in any way.

However, Justice Zvi Tal said that after examining the police evidence, he was convinced both that further investigation is warranted, and that the suspects would interfere with the investigation if they were released. Solid evidence is not needed at the investigation stage, he added; it is enough that there be a "sufficiently well-founded suspicion."

He also stressed that the crimes of which the group is suspected are extremely serious.

However, he added, the police must "consider at every stage whether continuation of the remand is still necessary."

Asian banks interested in investing here

SOME of Asia's major banks expressed interest in purchasing shares in Discount Bank and Bank Mizrahi in a meeting with Finance Minister Avraham Shohat at the weekend.

Shohat met in Hong Kong with representatives of the Bank of China, Bank of Asia, and Bank of Hong Kong, and gave a review of Israel's economic and banking activities. The Asian bankers expressed interest in shares being offered in Israel, particularly those of Discount and Mizrahi that are expected to be offered on the Tel Aviv Stock Exchange within the next six months.

While in Hong Kong, Shohat met with Michael Kadourie, one of the world's wealthiest Jews. Shohat invited Kadourie to visit Israel, who said he would try to visit soon.

Shohat is also to meet with Treasury officials in Hong Kong. (Jerusalem Post Staff)

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